

VZCZCXYZ0015  
OO RUEHWEB

DE RUEHML #1999/01 1660900  
ZNR UUUUU ZZH  
O 150900Z JUN 07  
FM AMEMBASSY MANILA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6977  
RUEHRC/USDA FAS WASHDC IMMEDIATE 1376  
RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE

UNCLAS MANILA 001999

SIPDIS

SIPDIS

STATE FOR EAP/EP  
STATE FOR EEB/EPPD NSMITH-NISSLEY  
STATE PASS EXIM, OPIC AND USTR  
TREASURY FOR OASIA  
USDA FOR FAS/OA AND FAS/OFSO

E.O. 12958: N/A

TAGS: [BEXP](#) [EINV](#) [ELAB](#) [ETRD](#) [KSEP](#) [SENV](#) [RP](#)

SUBJECT: NOMINATION FOR CORPORATE EXCELLENCE AWARD: CAL ENERGY  
GENERATION

REF: STATE 00047222

NOMINATION  
-----

¶1. Post is pleased to nominate CalEnergy Philippines, an independent power producer with three geothermal power plants in Leyte and a hydro-electric power plant in Casecnan. All four plants sell 100 percent of their capacity to the Philippine National Oil Company-Energy Development Company for resale to the National Power Corporation and distribution to the Luzon and Cebu Grids.

Good Corporate Citizenship  
-----

¶2. CalEnergy Philippines corporate citizenship efforts focus on providing educational opportunities to youth and young adults. It currently sponsors 79 elementary and tertiary scholars and offers vocational training to 18 students. Additionally, CalEnergy has built or rehabilitated 20 class rooms and donated over 100,000 books to various schools and public libraries in the communities around Leyte and Casecnan.

¶3. Employee volunteerism is another strategic component of CalEnergy's corporate social responsibility program; its employees logged 3,500 days of service hours in 2006.

Exemplary Employment Practices  
-----

¶4. In 2001 CalEnergy initiated a certification program for its operators and technicians to ensure competency for three different occupations: Geothermal Power Plant Operator, Instrumentation Technician, and Non-Destructive Testing Technician. Its in-house certification program has since been accredited by the Technical Education and Skills Development Authority, which sets the national standards for various trades and crafts. On August 23, 2002, this authority awarded CalEnergy the "Partnership" Award in recognition of its efforts to develop and professionalize technicians, craftsmen and artisan workers, as well as for its contribution to community development.

Provision for a Safe and Healthy Workplace  
-----

¶5. CalEnergy's safety program is based on cooperative efforts among colleagues and affords employees the opportunity to audit safe and unsafe behaviors at the workplace. The program's objective is to continuously train and encourage all employees and contractors to eliminate incidents and injuries by observing and discussing the

safe and unsafe behaviors of their colleagues in the workplace.

#### Responsible Environmental Stewardship and Practices

---

¶16. At its core, CalEnergy exemplifies environmental stewardship through its production of energy from a hydro-electric plant that also provides consistent irrigation for nearby farms.

¶17. In 2005, CalEnergy began to implement a 6-year pilot reforestation program of the Casecnan Watershed. This program aims to rehabilitate 3,500 hectares of the lower Casecnan Watershed. To date, some 453 hectares have been reforested with 800,000 trees. In 2005, the Public Relations Society of the Philippines presented an Anvil Award of Merit to CalEnergy's Casecnan Watershed Pilot Reforestation Program for successfully implementing an educational campaign to increase community awareness of the importance of watersheds and the need to protect them from degradation. In 2006, CalEnergy also received two Gold Quill Awards of Merit in Communication Management for the Casecnan Watershed Pilot Reforestation Program and the Cal Energy Book Donation Program from the International Association of Business Communicators of the Philippines.

#### Contribution to the Rule of Law and Economic Growth

---

¶18. CalEnergy's Casecnan projects have supplied the community with roads, irrigation, and electricity. In North Luzon, the project irrigates 35,000 new hectares of agricultural lands, and stabilizes the water supply for 102,000 hectares of existing irrigated farmlands. Upon completion, the CalEnergy project, in partnership with the National Irrigation Administration, will result to a 465,000 ton increase in annual rice production.

#### Contribution to Local Science and Technology

---

¶19. The latest geothermal and hydro technologies have been incorporated into four "Build Operate and Transfer" projects so that the Philippine energy sector can utilize renewable energy assets on the islands of Leyte and Luzon. Upon transfer, the Philippine government will acquire the capital projects along with the scientific knowledge and institutional memory.

#### Compliance with U.S., International and Local Laws

---

¶10. CalEnergy has implemented purchasing procedures which increase transparency and eliminate bribery by defining employee conduct and processes with regards to services or goods purchases. Suppliers are selected through a formal bidding process that prohibits any ad hoc supplier selection. The list of accredited suppliers is reviewed continuously to ensure that they are still performing well in terms of products and services delivered, professionalism, and adherence to Philippine law.

KENNEY